

## PREIT HISTORY

In 2020, in the depths of an unprecedented pandemic, PREIT entered into a restructuring agreement that provided the Company with flexibility and additional liquidity as the Company, like many retail real estate owners, sought time to recover from the extended closures experienced in conjunction with the nationwide response to the COVID-19 pandemic.

This event followed years of portfolio reshaping.

**Let's take a look back before looking ahead**

**1960**

Founded as one of the first publicly held REITs in the US

**1997**

Merged with The Rubin Organization; Trading moved to the New York Stock Exchange

**2009**

Redevelopment of Cherry Hill Mall



**1970**

Started trading on the American Stock Exchange under ticker symbol PEI

**2003**

Strategic focus changes from a diversified property base to one focused on retail; Acquired six-mall portfolio from The Rouse Company; Sold all multi-family properties; Completed merger with Crown American Trust, acquiring 26 retail assets

**2010**

Opening of Whole Foods and lifestyle wing to complete reimagination of Plymouth Meeting Mall exterior



For over a decade, we have focused on expanding our offerings to go well beyond traditional mall tenancy including leisure and entertainment options as well as tenants that have traditionally located in open-air centers in addition to experiences that serve the broader community.



2012

Joseph F. Coradino named CEO; Outlined strategy focused on improving portfolio quality and the balance sheet while enhancing operating performance to position company for growth

2013

Beginning of asset disposition program, aimed at improving overall portfolio quality

Seeing the mall model doesn't work in every circumstance, sold off 40% of properties that were underperforming.

- Sold **19** underperforming properties
- Prior to this, we had 27 Sears stores and portfolio sales of **\$378/sf**
- Disposed properties were located in tertiary markets or had been out positioned by competition.
- Through these dispositions, PREIT avoided utilizing valuable capital to replace **dozens of Anchors** that closed in sold properties

Marked improvement in condition of balance sheet

- Reduced debt by over **\$500 million** in 2 years
- Bank leverage at lowest level since 2005 (**48.4%**)
- Renegotiated **\$400 million credit facility** (moved to unsecured) and launched **common equity offering**

Sold 3 non-core malls with combined average sales per square foot of \$227

2014

A year of significance with respect to future growth opportunities.



Announced acquisition of Springfield Town Center in Fairfax County, VA from Vornado Realty Trust to drive portfolio quality and growth

October 2014: Springfield Town Center grand reopening

Entered in Joint Venture with Macerich to redevelop the Gallery

Philadelphia City Council approves legislation leading to the redevelopment of Fashion District Philadelphia; Century 21 opens 1st store outside of New York Metro at Fashion District Philadelphia

Average Comp Sales in portfolio exceed \$400 per square foot

Increased common dividend (by 31% over 2 years)

Bank Leverage ends year at historic low of 47.6%

2015-2016

Elevated shopping experiences, including entertainment options such as movie theaters, Tilt Studios, LEGOLAND, craft experiences, etc. – extending dwell time and expanding trade areas, giving more reasons for shoppers to visit properties.



Continues portfolio upgrade with key leases throughout portfolio:

- Legoland at Plymouth Meeting Mall,
- Whole Foods at Exton
- DICKs to replace JC Penney at Cumberland Mall
- Lululemon, Tumi at Cherry Hill Mall

Primark to replace Sears at Willow Grove Park

Macy's announces closure of 100 stores; 5 PREIT stores impacted

ULTA/DSW at MPG; Primark opens location at Willow Grove Park

2017



**Campaign to proactively replace department stores comes to life**

Capital City - Sears replaced with Dick's, PA Fine Wine & Spirit, Primanti, Blaze Pizza

Viewmont - Sears replaced with Dick's/Field & Stream combo store (later to become House of Sport location), HomeGoods

Valley - Belk signed to replace Bon Ton

Magnolia - Sears replaced with Burlington, HomeGoods, Five Below

Whole Foods opens at Exton

Legoland opens Philadelphia location

2018



Mall at Prince George's renovations and remerchandising come to life

Dave & Buster's opens at Capital City

Created Off-Price hub at Moorestown Mall to replace former Macy's with - HomeSense, Sierra, Five Below and ULTA

Launched initiative to densify properties by selling underutilized land for multi-family development

[Recap of Anchor Diversification Success](#)



2019



Years of planning and merchandising come to life as transformational redevelopment projects open to the public.

9/19

Fashion District, the remaking of the Gallery, a well-curated one-of-a-kind destination that blends shopping, dining, entertainment and culture to create a unique downtown destination that is inclusive, accessible and convenient for everyone opens

*Shoppers Pack Fashion District Philadelphia In Center City To Celebrate Grand Opening*

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9/21

Plymouth Meeting Mall Macy's Redevelopment opens incorporating new anchor tenants bringing a diversified roster with unique and experiential concepts - DICK's Sporting Goods, Burlington, Miller's Ale House, Edge Fitness, Michaels and a collection of health and wellness tenants.

10/10

Dynamic remerchandising and redevelopment of Woodland Mall grand opens including Von Maur, The Cheesecake Factory, Urban Outfitters, Sephora and REI, in strong market solidifying its trophy property



2020



As the year began, 2019 had culminated with sales for the portfolio reaching an all-time high of \$539 as of December 31, 2019. During the holiday season, PREIT's properties hosted over 16 million shoppers, 60 community events and worked with approximately two dozen charitable organizations.

And Fashion District Philadelphia had achieved significant milestones during its initial opening period:

- 4.6 million customers
- 20 stores opened since September
- 11 charities and organizations supported
- 40 free & family-friendly activations offered
- Lululemon, Tumi at Cherry Hill Mall

In mid March, as the Coronavirus pandemic swept across the nation, [PREIT malls](#) ceased operations and shifted its efforts to reducing spending, stabilize its tenancy and improve cash flow via collections.

Over the course of several months, PREIT malls put support programs in place for the community including promoting local tenants, hosting job fairs and hosting outdoor events. Following government mandates, the malls slowly reopened with all open by early July with new safety and cleaning protocols in place.

As part of its efforts to shore up liquidity, PREIT reduced its dividend during the year and secured a short term Term Loan in August.

11/1

The Company entered into a prepackaged financial restructuring plan (the "Prepackaged Plan") under which the Company will be obtained an additional \$150 million to recapitalize the business. Consistent with the Company's Restructuring Support Agreement (the "RSA"), PREIT filed a voluntary Chapter 11 petition in the United States Bankruptcy Court for the District of Delaware to implement its Prepackaged Plan. The Restructuring was completed on December 11, 2020.

2021



Marked by a very healthy consumer that demonstrated a strong desire to get back to shopping, PREIT portfolio experiences strong rebound.

Properties that went into the pandemic with strong tenant mixes and modern anchors experienced a resurgence and outperformed their competition.

CENTRAL PENN  
**BUSINESS JOURNAL**

*Capital City Mall still strong despite growth in online shopping*

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PREIT Portfolio continued to deliver strong demand from tenants, allowing it to continue to execute transactions with diverse uses for its properties, including - Cooper University Health Care at Moorestown Mall, Aldi at Dartmouth Mall, Phoenix Theatre at Woodland Mall, Self Storage at Mall at Prince George's and Tilt Studios at Magnolia Mall.

Highlights of a robust retail market in 2021 include:

- PREIT executed transactions for **1.2 million square feet of new space** - more than any of the past five years and nearly three times as much as 2019
- Traffic during the holiday season (November and December) **grew by 25%** over 2020
- Core mall rolling 12 month sales PSF as of 12/31 reach milestone, **eclipsing \$600 per square foot at \$603.**

2022



Leasing and Remerchandising initiatives continue

- LEGO signed for Springfield Town Center
- Eddie V's, Marc Cain, Warby Parker, Psycho Bunny, Levi's and more announced for Chery Hill

Comp Sales Per Square Foot reach an **all time high of \$618**.

Progress on Plan to Densify Properties

- Executes land sale for 375 apartments at Moorestown Mall
- Receives Approval for 460 Apartments and 165 Room Hotel at Springfield Town Center

Inflation and interest rate hikes begin to take center stage impacting predicted consumer spending and retailer margins.

Efforts to raise capital and reduce debt culminate



During 2022, the Company sold assets generating **\$114 million** in gross proceeds and applied asset sale proceeds and excess cash from operations to pay down debt by **\$154 million** through December 31, 2022.



2023



When in - person shopping was beginning to regain popularity, we were faced with inflation, interest rate hikes and a frozen credit market as key mortgage loans expire and PREIT's credit facility comes due.

PREIT continued to drive the quality of its properties and diversity of its tenancy:

- Signed lease with Burlington to join Springfield Town Center
- Signed lease with ULTA to join Dartmouth Mall
- Signed Meritus Health at Valley Mall
- Opened Lego Discovery Center at Springfield Town Center, Tilted 10 at Willow Grove Park and DICK's House of Sport at Viewmont Mall

Despite a challenging landscape for asset sales, sold Whole Foods at Plymouth Meeting Mall and land to Main Event at Woodland Mall, while successfully navigating short term loan extensions for Cherry Hill, Dartmouth and Woodland Malls.

**The Company, through its advisors, has engaged in discussions and negotiations with certain members of a lender group under its Credit Agreements with respect to a potential restructuring transaction.**

Over the past several years, in addition to exploring options to manage the expiration of its Credit Facilities, the Company has focused on recovering occupancy following the COVID-19 pandemic, bringing diverse uses to the portfolio to enhance the business, garnering approvals for multifamily development at its properties to allow for land sales and raising capital through an array of asset sales, among other initiatives designed to improve portfolio value.